GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3684
ANSWERED ON:18.08.2005
AGREEMENT BETWEEN ONGC AND MITTAL GROUP OF COMPANIES
Manvendra Singh Shri ;Ponnuswamy Shri E.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether ONGC has signed an agreement with Mittal Group of Companies to explore oil and gas as reported in the 'Hindustan Times' dated July 24, 2005;

(b) if so, the details thereof;

(c): the areas specified for their working; and

(d): the work −plan drawn for their implementation and the benefits likely to be achieved?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): On 23.7.2005, Oil and Natural Gas Corporation Ltd. (ONGC) and its wholly owned subsidiary, ONGC- Videsh Ltd. (OVL), have signed two Memoranda of Understanding (MOUs) with the Mittal Group of Companies, with the intention of synergising their mutual strengths in the pursuit of energy security by working together in identified regions, especially Central Asian and West African countries which are rich in oil and gas resources and where M/s. Mittals have a strong presence through their successful global steel business.

(c) & (d): The MOUs, which are subject to the approval of the Boards of Directors of the respective Companies as well as the Government, set a framework to identify areas of mutual interest in the hydrocarbons sector and establish modalities for the parties to synergise their respective strengths in pursuance of common objectives. The MOUs envisage joint participation in the hydrocarbon business in identified territories. With these objectives in mind, the parties have agreed to set up two joint venture companies, namely, (i) ONGC-Mittal Energy Ltd.; and (ii) ONGC − Mittal Energy Services Ltd.